MINISTRY OF POWER (SHRI P.V. RANG AY YA NAIDU): (a) The envisaged capacity addition of 30537.07 MW during 8th plan includes a capacity of 14869.7 MW in the state sector, 2810 MW in the private sector and balance 12858 MW in the central sector.

(b) Yes, Sir. A capacity of 765.5 MW is envisaged to be added during 8th Plan in the state sector in Tamil Nadu, from the following projects:

(i) Lower Bhavani RBG HEP (8 MW)

(ii) Sathanur Dam HEP (7.5 MW)

(iii) North Madras TPS (630 MW)

(iv) Basin Bridge GTPP (120 MW)

(c) Ministry of Non-conventional Energy Sources has informed that they are aware of the proposal of Tamil Nadu Industrial Development Corporation (TIDCO) and a private firm to set up a project in joint sector at a cost of Rs. 19 crores for power generation from garbage.

(d) No financial assistance has been sought by Tamil Nadu Government so far.

(e) Government is taking all necessary steps to meet the growing demand for power.

Investment Procedure in Power Sector

6551. SHRI VIREN J. SHAH: Will the Minister of POWER be pleased to state:

(a) whehter ambiguity in guidelines and cumbersome and time consuming procedure have delayed entry of Indian and foreign enterprises in the power sector;

(b) if so, what steps are being taken to streamline the existing procedures;

(c) whether it is also a fact that despite the creation of a cell, the involvement of a large number of agencies was discouraging the foreign companies; and

(d) if so, what remedial steps are being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P.V. RANGAYYA NAIDU): (a) No, Sir.

(b) Does not arise

(c) No, Sir.

(d) Does not arise.

Renovation and Modernisation of Power Sector

6552. SHRI PRAMOD MAHAJAN: Will the Minister of POWER be pleased to state:

(a) what steps Government have taken to constitute a National Grid for optimal power and a renovation and modernisation package to spruce up thermal and hydel power projects and what are the details of such projects;

(b) what steps Government have taken for strengthening of transmission and distribution system and improving reliability of power through HVDC and energy conservation system; and

(c) what is the present position of the projects referred to in parts (a) and (b) above?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P.V. RANGAYYA NAIDU): (a) to (c) In pursuance of the policy of the Government to set up a National Powergrid for optimum utilisation of available resources, Northern and Western Region already stand inter-connected through the Vindhyachal High Voltage Direct Current (HVDC) back-to-back project. Another HVDC back-to-back link at Chandrapur (Maharashtra) connecting Western and Southern Region has been sanctioned by the Government. Other such schemes techno-economically cleared by CEA include 1x500 MW Jeypore-Gazuwaka HVDC back-to-back link connecting Eastern and Southern

Regions and 1x500 MW Mau HVDC back-to-back inter-regional link to connect Eastern and Northern regions. In addition to the HVDC back-to-back project various 200/400/800 KV transmission lines are under execution.

The renovation and modernisation programme (phase-I) for 34 thermal power stations aggregating to 13,585 MW was launched in September, 1984. Approximetely 87% of the activities have been completed. During the 8th Plan, under Phase-II of the R&M Programme 46 thermal power stations aggregating to 20581 MW at a cost of Rs. 1610 crores and 54 hydro electric projects aggregating to 9656 MW at an estimated cost of Rs. 1241 crores have been identified.

Conditions for Private Participation in Power Sector

6553. SHRI CHIMANBHAI MEHTA:
SHRI MOHD. MASUD KHAN:

Will the Minister of POWER be pleased to state:

(a) the reasons for not issuing global tenders for the construction of private power houses while electricity generated from these power houses is going to be transmitted by State Electricity Boards;

(b) on what basis and conditions multinational power house companies are erecting power houses in China and what is the price per unit charged over there;

(c) whether it is a fact that on the basis of minimum 16 per cent guaranteed return on foreign equity, entire cost would be covered by them in just six years while plant life is 5 to 6 times more, compared with the period of equity reimbursement; and

(d) whether above 16 per cent return of the equity is post-tax profit, without any encumberance and entirely repatriable?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P.V. RANGAYYA NAIDU): (a) Awarding power projects to private promoters is within the competence of the State Governments. It is for State Governments to decide the manner in which a Power generating project would be assigned to private companies.

(b) It is understood that People's Republic of China is offering a variety of incentives depending on the location of the projects being set up in the private sector. Some of the incentives are, upto 15% Internal rate of return on equity, exemption from or a reduction in import and export taxes, corporate income tax and withholding tax on repatriation of projects by promoters, lower land use fees etc. The price per unit charged in China for Private Power Projects is not available.

(c) No, Sir.

(d) For generating companies, GOI guidelines permit 16% post tax return on equity relatable to the generating units at 68.5% plant load factor, as a part of the fixed cost in tariff. Thus 16% RDE is linked to a level of performance.

Cost of Power Generation

6554. DR. NAUNIHAL SINGH : Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the averge cost per MW for the private